



STATE HEALTH CARE INNOVATION MODELS INITIATIVE CMMI GRANT APPLICATION

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David Hanig, Consultant
Andrew Cherullo, Grant Project Manager

Agenda

- State Innovation Models (SIM)
 - Background
- Washington State SIM Application
 - Overview
 - Goals
- Seek Input
 - Stakeholders, Employers, Providers
 - Next Steps

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State Innovation Models Initiative

- The Centers for Medicare & Medicaid Services (CMS) Innovation Center issued a new grant opportunity.
- \$275 million competitive funding for states to design or test multi-payer payment and delivery models that deliver high-quality health care and improve health system performance.
- Grant applications are due [September 24, 2012](#).

State Innovation Models: Hypothesis

- New service delivery and payment models will be more effective and produce better outcomes when they are implemented as part of a broad-based, Governor-led, statewide initiative that brings together multiple payers and stakeholders—and uses full executive and legislative authority to support the proposed health system transformation and multi-payer design.



Awards

Two grant applications are available.

Model Design- *grants to develop a multi-payer payment and delivery system reform.*

- *Total of \$50 million available*
- *Up to 25 states*
- *6 months duration*

or

Model Testing- *grants to test and evaluate multi-payer payment and delivery reform.*

- Total of \$225 million
- Up to 5 states
- Three to four years duration
- *A state that applies for but doesn't receive model Testing funding, may still qualify for Design funding.*



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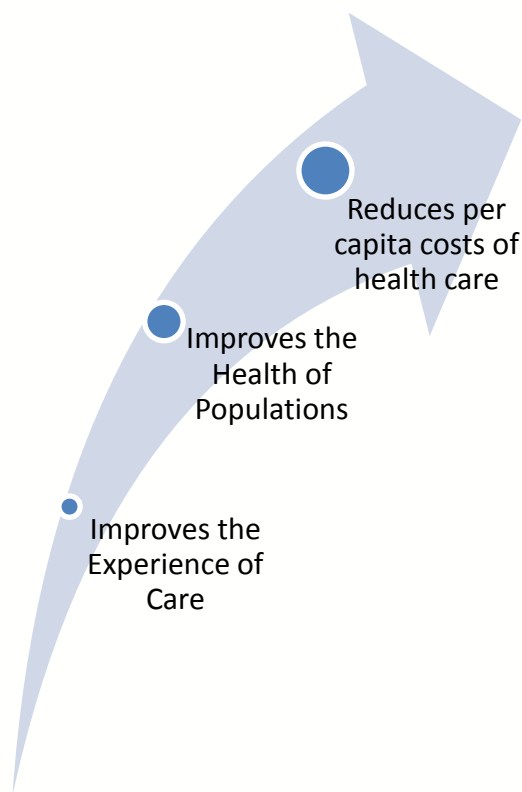
Model Testing

- Systemic Change

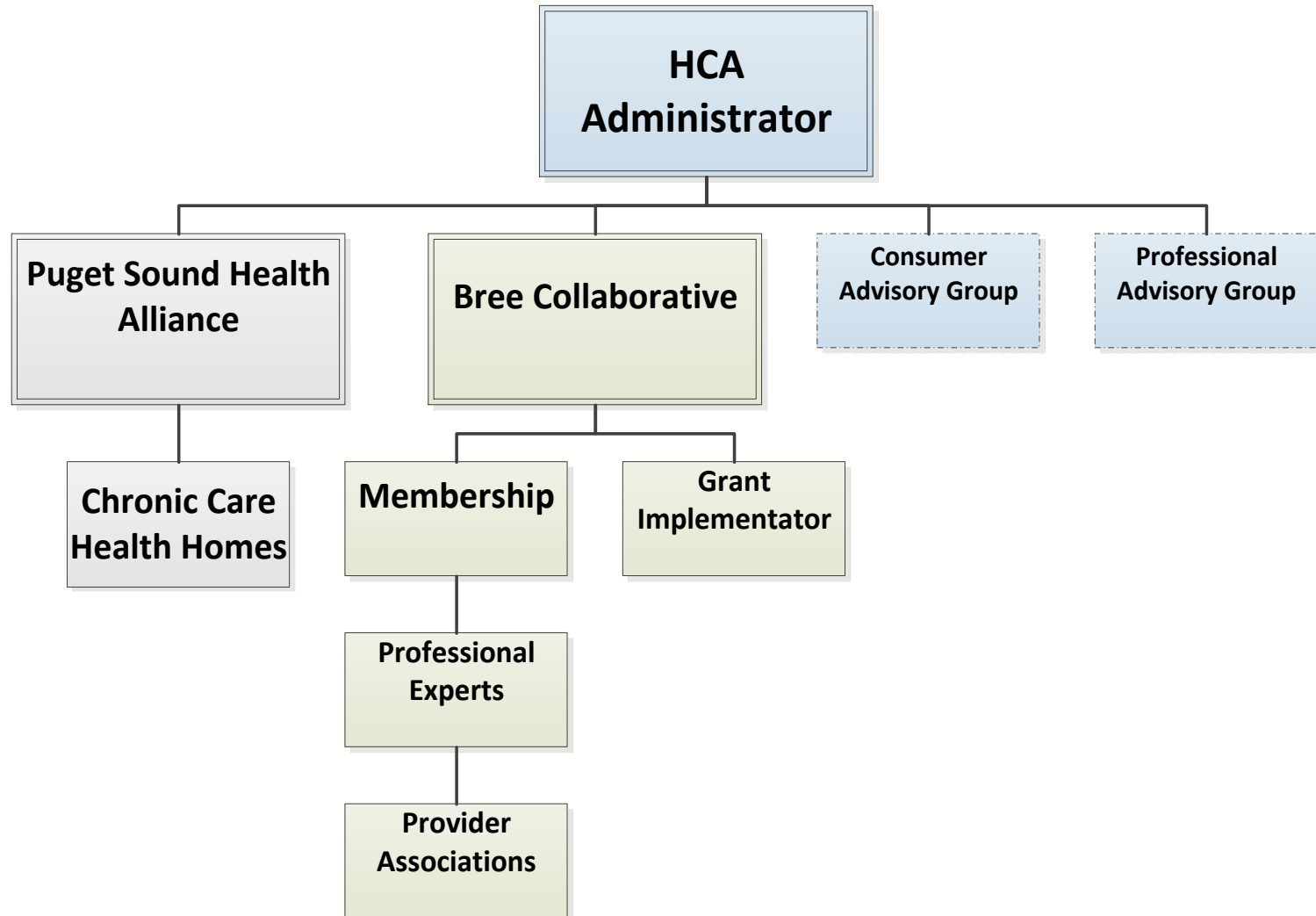
- Long-term impact
- Uniformity

The Proposal (Triple Aim)

- Foster the role of consumers and communities in shaping the health care system;
- Use multi-payer quality and cost data with regular feedback tools to reduce variation;
- Incentivize the shift from high-cost, low-value services to high-value, lower cost care;
- Fully link payment to quality including integration of professional, facility practices;
- Utilize best practices learned from delivery and transfer learning's to the medical homes model;
- Make transparent reporting of metrics and outcomes broadly available;



Structure

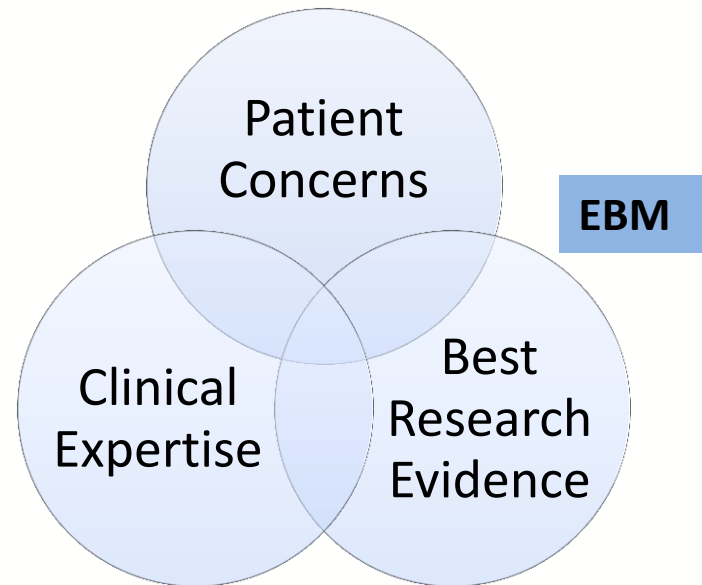


Strategy

Evidence-Based Care

To promote evidence-based care, the Collaborative will:

- » Continue to identify high-cost, low-value procedures.
- » Develop evidence-based best practice recommendations;
- » Modify payment methods to pay for better outcomes.
- » Engage a broad range of stakeholders, including providers, health plans, employers and consumers to assure dissemination and adoption of best practices.



Value Propositions

The State, Employers & Plans–

- Predictable expenditures
- Coordinates public and private efforts
- Allows for large and small systems to coordinate statewide
- **Clients** – better services, quality and transparency
- Link patient decision aids (PDAs) to better informed consent



Value Propositions

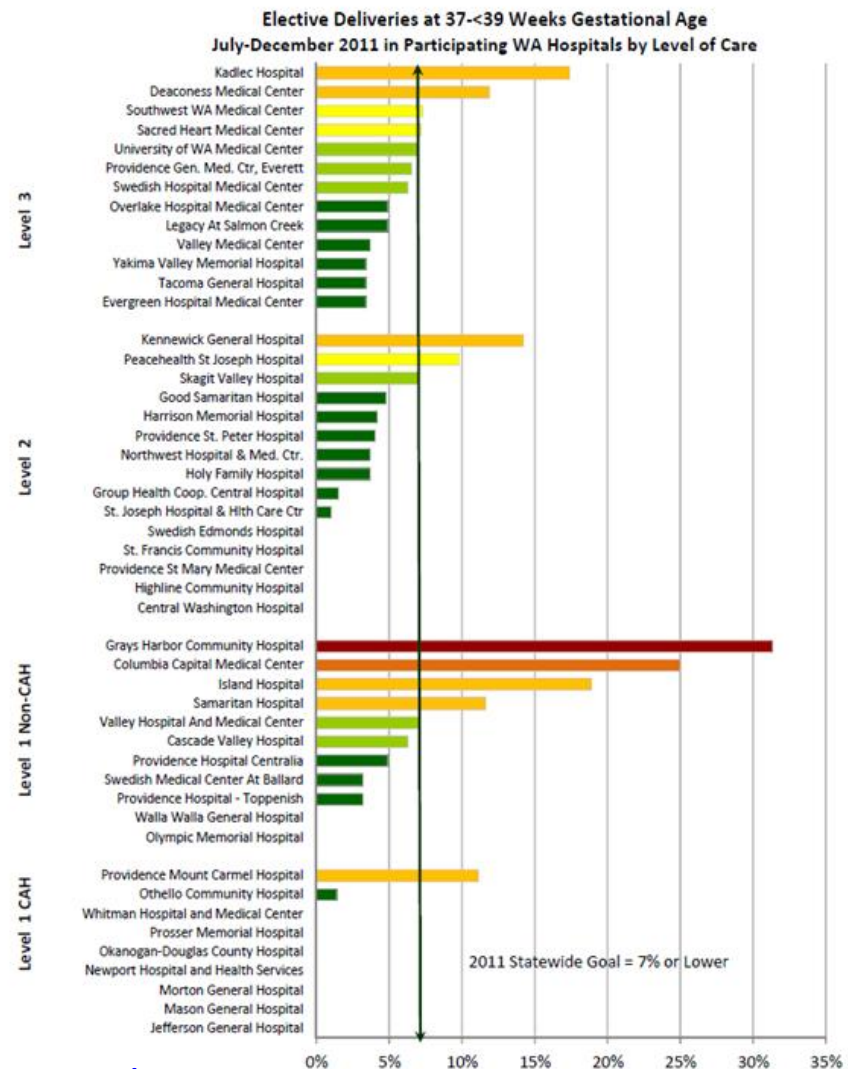
- **Providers**
 - Predictable revenues
 - With the CMMI grant, upfront costs are covered
 - Link patient decision aids (PDAs) to reduced liability risks
- **Hospital Systems** – quality efforts can lead to higher margin services
- **Counties and Cities** – ACO development extends to all venues, not just large counties



Sense of Urgency

Initial Payment Reform Effort:

- The Collaborative's recent obstetrics report:
 - Developed payment methods to promote best practices (reduced unnecessary C-sections and labor inductions).
- **Next steps:**
 - Establish bundled payment to combine doctor and facility fees and incentivize providers and hospitals to provide the most appropriate care to mother and baby.



Sense of Urgency

Chronic Care Health Homes:

Coordinate implementation of chronic care health homes across multiple payers. The goal is to focus attention on the **5%** of patients who account for **50%** of health spending in both public and commercial coverage in Washington State, or those at risk for chronic conditions. Key elements include:

- Private and public predictive modeling tools to identify patients with chronic conditions and then provide information to help providers to manage and coordinate their care;
- Enhanced payment for primary care health home services to fund coordination of care and data-driven interventions;
- Integrated behavioral health services; and
- Incentives such as gain-sharing or shared savings.

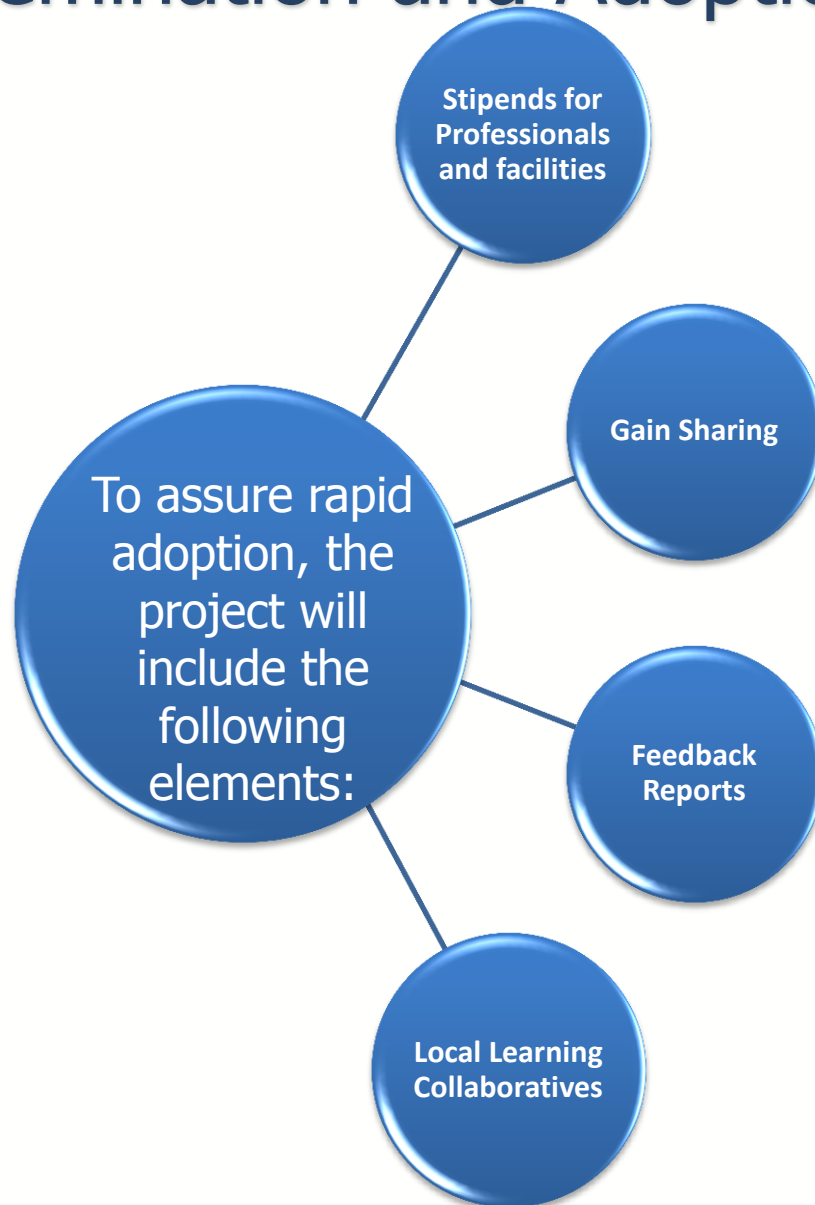
12.1a | Only 1 percent of the population accounts for about one fifth of health spending; 5 percent account for nearly half



Distribution of Population Ranked by Annual Per Capita Health Spending

Note: percentages are for the civilian, non-institutionalized population based on Medical Expenditures Panel Survey (MEPS) data for 2008. 2011 per capita spending has been calculated from 2008 figures, adjusted to account for increased personal health spending per capita and to reduce differences between MEPS and National Health Expenditure estimates.

Dissemination and Adoption of Best Practices



Outcomes and Data Collection

Project will focus on standardizing quality and outcomes and requiring a minimal dataset to reduce administrative costs and foster provider participation.

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Support

- How can you help?
 - Write a letter of support
 - A template will be provided
 - Please send letters of support to:
 - » Andy Cherullo: Andrew.Cherullo@hca.wa.gov



Provide Input

- Draft application available for review next week
- Join the TAG webinar on September 5, 2012 for further updates.
 - Register below:
 - <https://www2.gotomeeting.com/register/209574826>

Questions?

Grant Program Manager: Andy Cherullo:
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